

MODEL CHARTER
FOR
PROCUREMENT EXECUTIVES

Developed by the Procurement Executive
Task Group of the Federal Procurement Council

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PROCUREMENT EXECUTIVE

Executive Order No. 12352 of March 17, 1982, titled "Federal Procurement Reforms," provides in Section 1 as follows:

"To make procurement more effective in support of mission accomplishments, the heads of executive agencies engaged in the procurement of products and services from the private sector shall: Designate a Procurement Executive with agency-wide responsibility to oversee development of procurement systems, evaluate system performance in accordance with approved criteria, enhance career management of the procurement work force, and certify to the agency head that procurement systems meet approved criteria."

Procurement Executive

Under the Executive Order, the responsibility for designating a Procurement Executive responsible for the development and oversight of agency-wide procurement systems is placed on the head of the procuring agency.

The purpose of this task group is to draft a charter suitable for use by agencies as a model. It contains what the task group considers to be the appropriate placement of the Procurement Executive within an agency's organizational structure, sets out primary duties and responsibilities and lists functions appropriate for delegation to subordinate procurement organization heads and contracting officers. It is intended as a guide and may be adopted or modified to the extent necessary so long as it is consistent with the purpose and scope of the Executive Order.

Organizational Placement

Background

The importance of organizational placement was highlighted in the findings of the Report of the Commission on Government Procurement (COGP), Volume 1, Chapter 5, page 43.

"Technical personnel tend to dominate personnel engaged in the procurement process. Procurement personnel do not receive the management support they must have in order to bring their professional expertise into play in awarding and administering contracts and, as a consequence, they must often bow to the desires of requisitioners who do not have expertise in procurement."

As a result of its study, the COGP stated the need to reevaluate the place of procurement in each agency whose program goals require substantial reliance on procurement. Under the general oversight of the OFPP, each agency should ensure that the business aspects of procurement and the multiple national objectives to be incorporated in procurement actions receive appropriate consideration at all levels in the organization. (COGP Recommendation No. 12)

Placement

The head of each Federal agency will appoint a Procurement Executive which should normally be a full-time position or a primary function of that position. Since this official will be responsible for management direction of the agency's procurement system, the Executive should be an experienced procurement professional and be at, or report directly to, no lower than the assistant secretary or assistant administrator level. Procurement Executives of large agencies may designate subordinate Procurement Executives, as needed, in sub-agency elements.

To effectively carry out his/her responsibilities, the Executive must be placed at a sufficiently high level in the organization to ensure:

- Direct access to the head of the major organizational element served;
- Sufficient status to deal with contractor executives; and
- Comparative equality with major mission and program organizational elements.

Procurement Executive Responsibilities

1. Delegation. The Procurement Executive is delegated authority from the agency head to oversee development and provide management direction of the agency's procurement system in accordance with applicable laws and regulations. Specifically, the Procurement Executive is authorized to:
 - a. Prescribe and publish agency procurement policies, regulations and procedures. (When the Federal Acquisition Regulation (FAR) becomes effective, agency policies, regulations and procedures will be limited to those unique to the agency or

otherwise necessary to implement the FAR. Repeating or paraphrasing the FAR will not be permitted.);

- b. Enter into, make determinations and decisions, and take other actions, consistent with appropriate policies, regulations and procedures with respect to purchases, contracts, leases, sales agreements, and other transactions, except those required by law or regulation to be made by other authority;
- c. Designate contracting officers and representatives thereof;
- d. If appropriate, exercise priorities authority on behalf of the agency, in accordance with the provisions of the Defense Production Act of 1950 (50 U.S.C. App. 2071, et seq.), Department of Defense Delegation of Priorities Authority, dated October 21, 1958, and applicable policies and regulations;
- e. Evaluate and monitor the agency's procurement system performance;
- f. Manage and enhance career development of the procurement work force;
- g. Examine, in coordination with the OFPP, the procurement system to determine specific areas where Government-wide performance standards should be established and applied and participate in the development of Government-wide procurement policies, regulations and standards. (The standards will be the criteria used for measuring operational effectiveness; i.e., time, cost, quality, accuracy, quantity, qualifications, etc.);
- h. Be the advocate for competition; and
- i. Certify to the agency head that the procurement system meets approved standards.

2. Redelegation

- a. The authority delegated in paragraph 1.a. may be redelegated only with respect to agency internal procurement policies, procedures, and regulations.

- b. None authorized with respect to paragraph 1.e. and 1.i.
- c. The authority delegated in paragraphs 1.b., c., d., f., g., and h. may be redelegated in writing with the power of further redelegation.

EXECUTIVE COMMITTEE ON FEDERAL PROCUREMENT REFORMS

I. Establishment:

The Executive Committee on Federal Procurement Reforms is established effective May 18, 1982. It is under the leadership of the Office of Management and Budget and chaired by the Administrator for Federal Procurement Policy.

II. Purpose:

The purpose of this Committee is to assist in implementation of the procurement reforms set forth in Executive Order No. 12352 by providing broad policy review and counsel with respect to proposed implementing actions. Interagency task groups will be appointed as set forth in Section V to develop guidance that will enable agency heads to fully accomplish their responsibilities under the Executive Order. One of the functions of the Committee will be to review and evaluate these task group recommendations.

III. Membership:

The Committee is composed of one Procurement Executive from each of the following organizations:

- Department of Agriculture
- Department of Defense
- Department of Energy
- Department of Interior
- Department of Transportation
- General Services Administration
- National Aeronautics and Space Administration
- Veterans Administration

Membership will also include a representative from the Small Business Administration. In addition, the Office of Personnel Management will be invited to participate whenever personnel related issues are reviewed.

A member may not be represented by an alternate at the meetings, but may send an observer after prior coordination with the Chairperson.

Notice will be given at least two weeks prior to a meeting.

IV. Activities:

The Executive Committee will:

- o Provide advice with respect to the organization of interagency task groups and the nominations of individuals selected to chair task groups.
- o Review and provide advice with respect to each task group's charter.
- o Review task group plans to ensure they encompass all the areas needed to fully implement the Executive Order.
- o Review and evaluate the progress of task group efforts.
- o Resolve questions raised by task groups and otherwise provide guidance to task groups.
- o Advise and counsel OMB/OFPP on content of periodic reports to the President on the accomplishments and progress in implementing the Executive Order.

V. Task Groups:

Interagency task groups will be established to develop guidance which will facilitate agency accomplishment of the specific objectives of Executive Order 12352. Each task group will be chaired by a General or Flag Officer, or civil service equivalent. Responsibilities of the Chairperson include:

- o Ensuring a balanced membership in terms of perspective and agency mission responsibilities.
- o Developing a charter and presenting it to the Committee for review.
- o Developing a plan of areas and issues to be examined by the task group.
- o Briefing the Committee on progress.

- o Developing and presenting to the Committee recommended actions.
- o Ensuring all actions are completed.

VI. Meetings:

Meetings of the Executive Committee will be held as necessary at the call of the Administrator for Federal Procurement Policy. Meetings will be held, on the average, once a month.

VII. Staff Support:

Staff support to the Chairperson will be provided by OFPP. The Administrator will designate an Executive Secretary to plan, coordinate, prepare the agenda, and maintain minutes of each meeting.

PROPOSED AGENDA

EXECUTIVE COMMITTEE ON PROCUREMENT REFORM

JUNE 1, 1982

- o Comprehensive review of the proposed organization and planning for implementation of the Executive Order including:
 - oo Executive Committee's charter
 - oo Interagency Task Groups proposed
 - oo Review of proposed Task Group assignments
 - oo Review of sample Task Group Charter
 - oo Development of mechanism for reporting to the President on agency and overall progress
- o Review of proposed Model Charter on Procurement Executives
- o Identification of topics and date for next meeting